



Director of
Central
Intelligence

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National Intelligence Daily

Friday

21 September 1988

Cable

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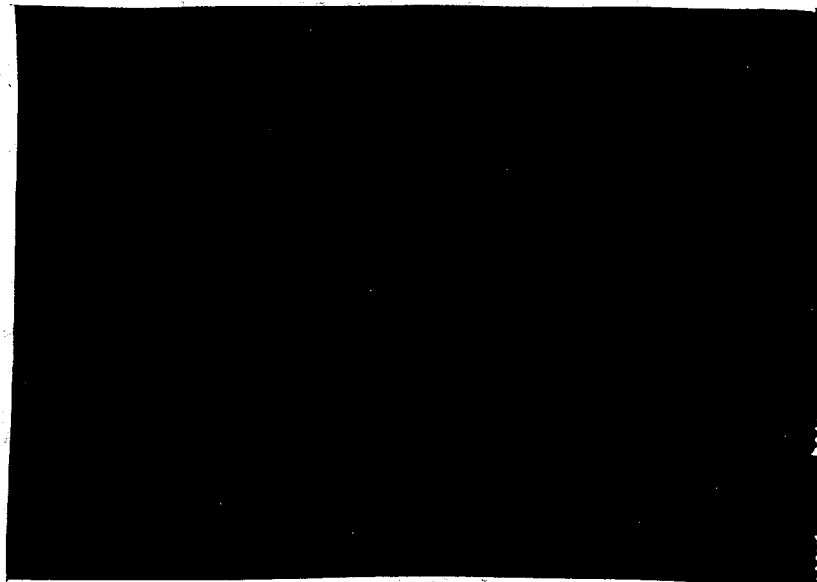
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Embassy Bombing

The bombing of the US Embassy in East Beirut yesterday by the Islamic Jihad will not be the last attack on US targets in Lebanon.

Islamic Jihad is believed to be a cover name used by radical Shia groups in Lebanon supported and directed by elements in the Iranian Government. The Shia terrorists seek to drive US personnel from Lebanon and to establish a fundamentalist Islamic state there.

The Islamic Jihad threatened to attack US interests in East Beirut shortly after the Embassy Annex opened in Awkar. Two additional threats have been made against US interests in Lebanon since the US vetoed the UN Security Council resolution criticizing Israeli practices in southern Lebanon.



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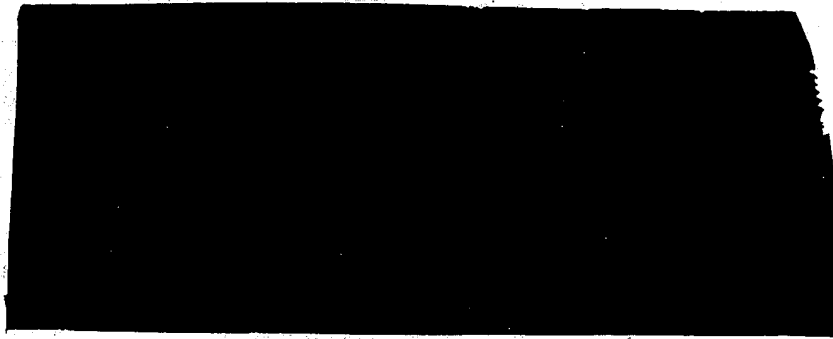
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~~_____~~ The fact that the attack occurred in Christian-held territory—where terrorist incidents have been infrequent—demonstrates that anti-US groups can strike anywhere in Lebanon. Stringent physical security will not deter future attempts or guarantee that targets will escape damage from a suicide bombing. Yesterday's attack ~~_____~~ caused extensive damage to buildings up to 400 meters from the explosion. ~~_____~~

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The bombing will place even more strains on the reconciliation effort Syria is sponsoring in Lebanon. As a result Syria may decide to crack down even more on radical Shias in areas under its control. ~~_____~~

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USSR:

Chernenko Fails To Sign Obituary

The absence of General Secretary Chernenko's signature from an obituary printed in Pravda yesterday probably was a political slight to him and a boost to the number-two party leader, Mikhail Gorbachev.

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The obituary, for retired Marshal of Tank Troops Poluboyarov, was signed by party secretaries Gorbachev and Romanov, Defense Minister Ustinov, and most of the top military leadership.

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Chernenko appeared briefly in public on Tuesday to award a medal, and his signature was included in an obituary for a Georgian writer in yesterday's *Pravda*. Also, Moscow radio has reported that Politburo candidate member Demichev yesterday conveyed greetings from Chernenko to an international gathering in Moscow.

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Protocol apparently did not require Chernenko's signature. Its absence, however, is striking in light of the presence of that of Gorbachev—a man with no known involvement in military affairs or personal association with Poluboyarov.

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This combination suggests political infighting in which Gorbachev may be taking advantage of Chernenko's illness to advance his position or broaden his responsibilities. Brezhnev signed a similar obituary in the closest known precedent.

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Even an incapacitation of Chernenko would not adequately explain the absence of his signature. He presumably would have wanted it included to signal continued political strength. The order of the leaders' signatures and the inclusion among the signatories of Ustinov and Romanov—whose responsibilities involve military matters—are normal.

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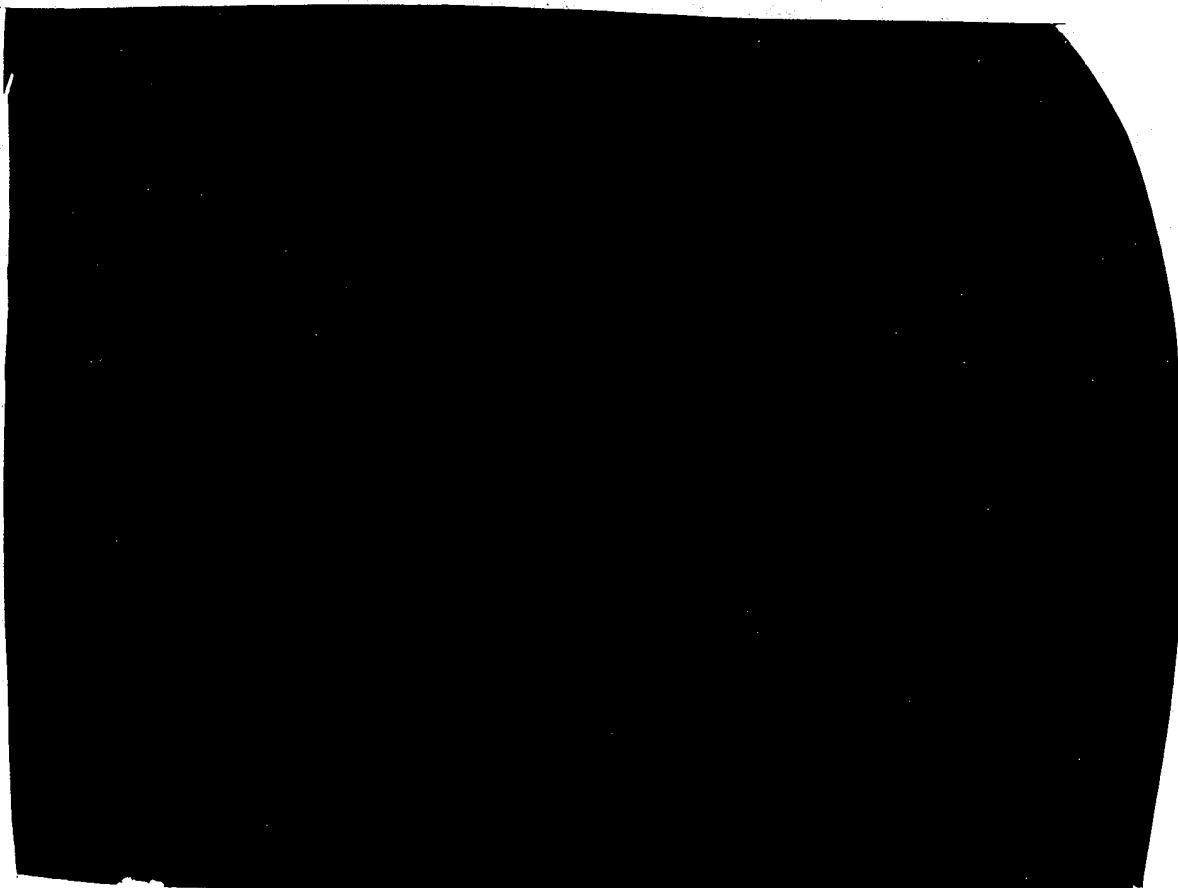
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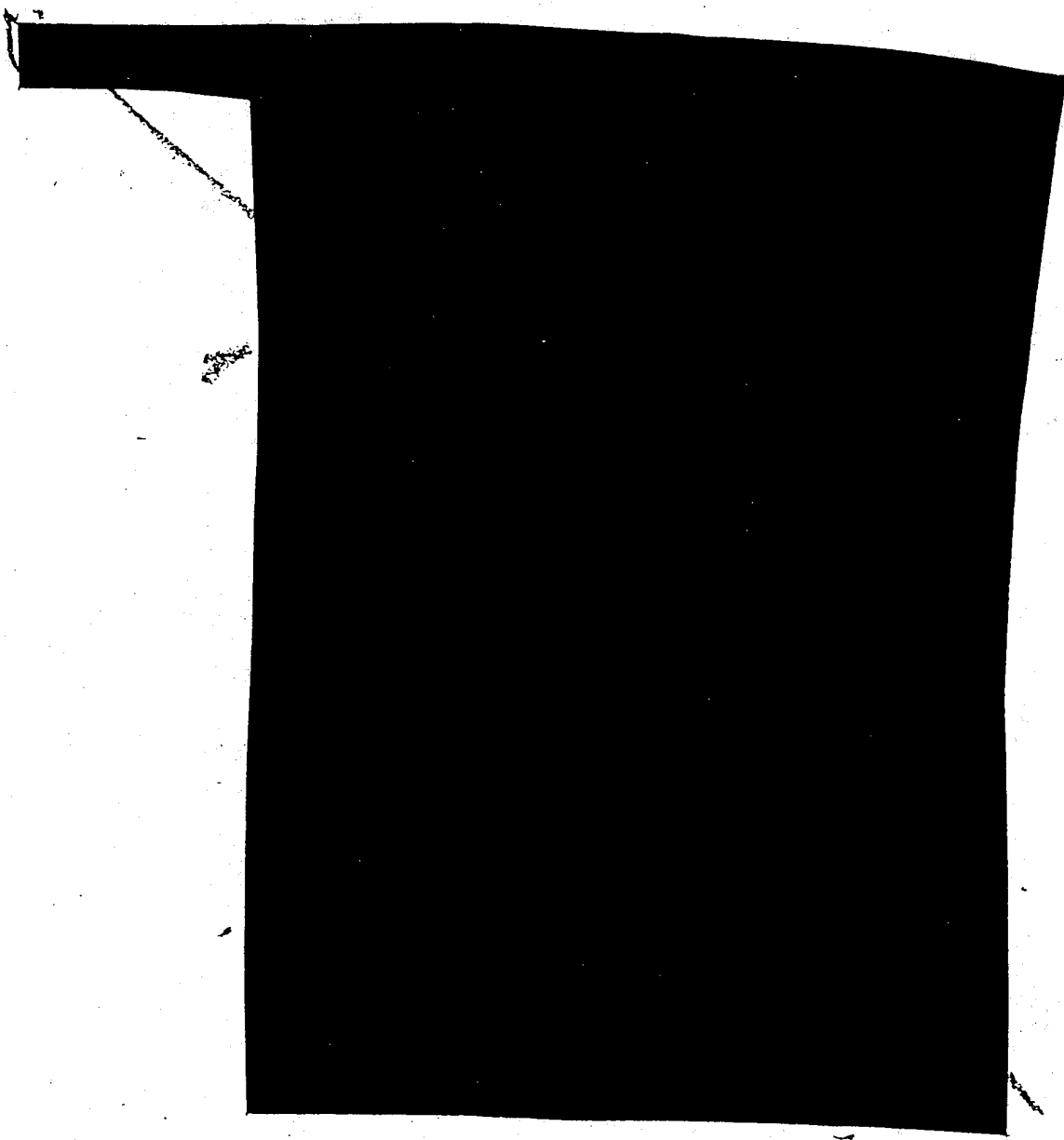
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MIDDLE EAST: Explosion in Gulf of Suez

A Saudi passenger ship bound from Suez to Jiddah was damaged by an underwater explosion yesterday. [REDACTED] This is the first apparent mine explosion in the Red Sea or Gulf of Suez since mid-August. [REDACTED]

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USSR-TURKEY: New Natural Gas Agreement

The USSR and Turkey have concluded a natural gas sales agreement. Moscow is to provide 1.5 billion cubic meters of natural gas in 1987, rising to 6 billion cubic meters annually in 1990. The Soviets have agreed in principle to deliver gas at less than the price of fuel oil. Turkey will pay with goods that have not yet been specified. [REDACTED]

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[REDACTED] Soviet gas is unlikely to pose a significant risk to Turkey in terms of secure energy supplies. Six billion cubic meters of gas would be only around 7.5 percent of Turkey's 1990 energy needs. The gas is planned for use by industries and electric plants that could readily switch to alternative fuels if supplies were disrupted. Soviet gas sales to Turkey, however, could effectively block access to the European gas market by potential Middle Eastern suppliers because the Turkish market would be an important stopping point for these suppliers. [REDACTED]

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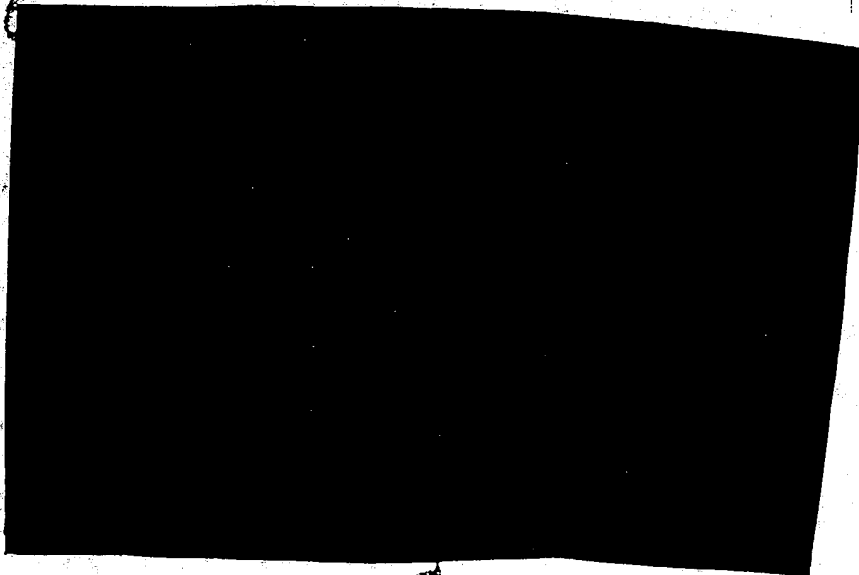
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INDIA: Opposition Gathers Strength

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Opponents of Prime Minister Gandhi are gaining momentum in their attempt to prevent her reelection. Opposition leader Rama Rao, who was forced out of office as Chief Minister of India's Andhra Pradesh state assembly last month by a governor Gandhi appointed, has regained his position and won an early vote of confidence.

[REDACTED]

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[REDACTED] Parties opposed to the government will have to mobilize public demonstrations and forge coalitions—as Rao did in Andhra Pradesh—if they are to challenge Gandhi's Congress-I Party in the national elections. Gandhi is likely to encourage debate on regional security issues to divert attention from the domestic problems that are unifying the opposition.

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EC: Budget Problems Ease

EC members are nearing resolution of their short-term budget problems. [REDACTED] the EC Foreign and Finance Ministers tentatively agreed in recent Council meetings to provide extra funding to stave off Community bankruptcy this year.

[REDACTED]

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Comment: These arrangements probably will be confirmed at Council meetings in early October. They are likely to allay the EC's immediate financial difficulties.

[REDACTED]

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The Community's new efforts at budgetary discipline are likely to prove ineffective in the long run, however, and it almost certainly will encounter new difficulties when revenues again are inadequate in 1986 or 1987.

[REDACTED]

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USSR ~~SECRET~~ New Five-Year Plan

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Soviet economic officials have said the Economic Plan for 1986-90 will emphasize the Food Program—especially the storage and transportation of agricultural products—development of East Siberia, social welfare programs, and the renovation of factories.

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None of the programs reportedly planned for the 1986-90 Plan are surprising, and all of them are carryovers from the current Five-Year Plan. The Soviets, in spelling out their import needs for 1986-90 to non-Communist industrial officials, appear eager to move ahead with contracts for Western machinery and equipment.

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In Brief

Western Europe

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- Greek Prime Minister Papandreou yesterday replaced several low-level Cabinet ministers . . . move represents face-lift rather than indication of policy change. (C-NF)

USSR

- Recent article by Soviet scientist presents theoretical explanation of material capable of degrading performance of forward-looking infrared sensors and some radars . . . Indicates Soviets following US research in technology applicable to Stealth.

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Americas

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[REDACTED]

Middle East

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[REDACTED]

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[REDACTED]

East Asia

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[REDACTED]

- China yesterday named new ministers in charge of State Economic and Science and Technology Commissions . . . replacements caused by ill health of former heads and possible dissatisfaction with management by Science and Technology Minister . . . no policy shifts in offing.

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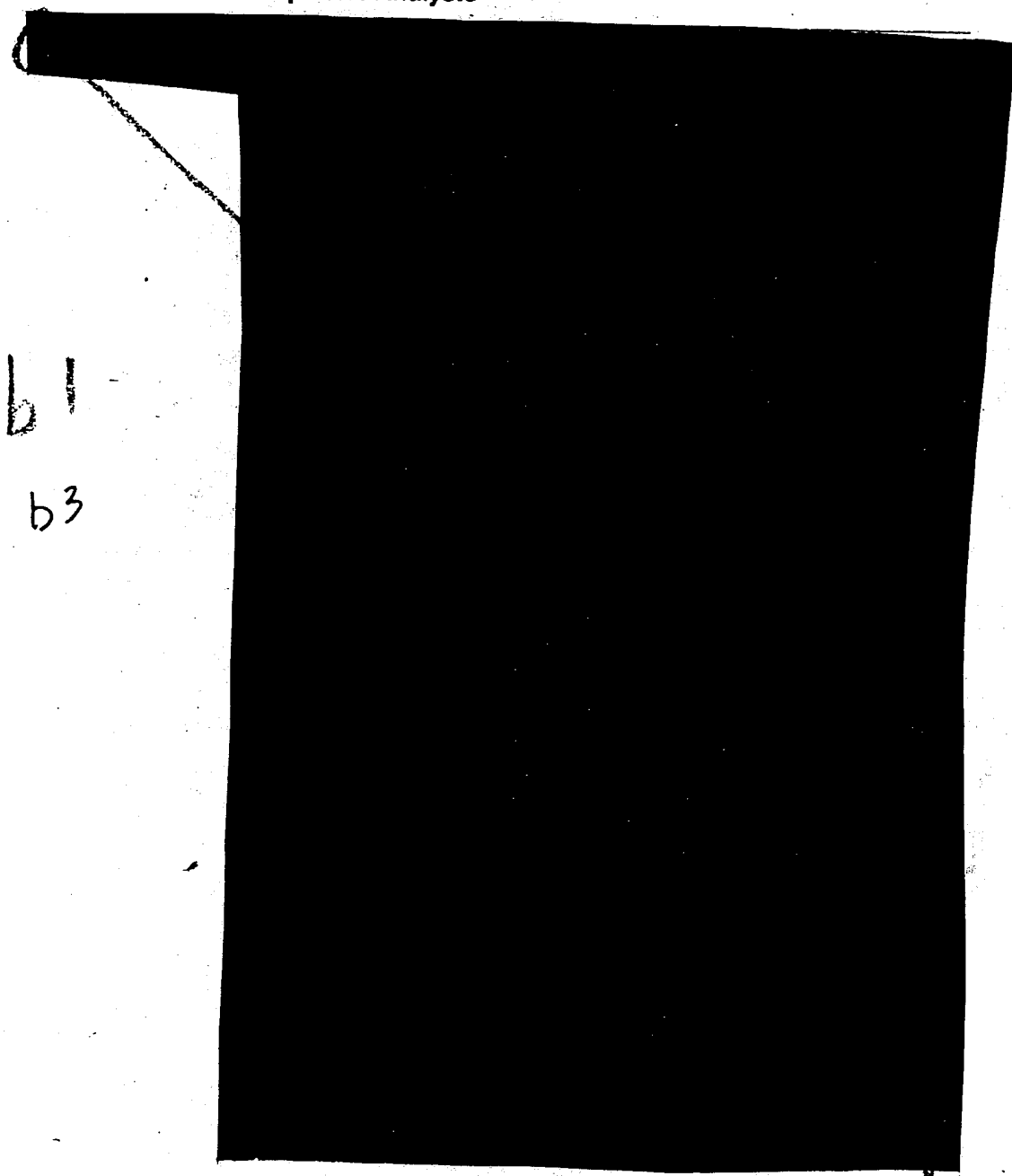
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Special Analysis



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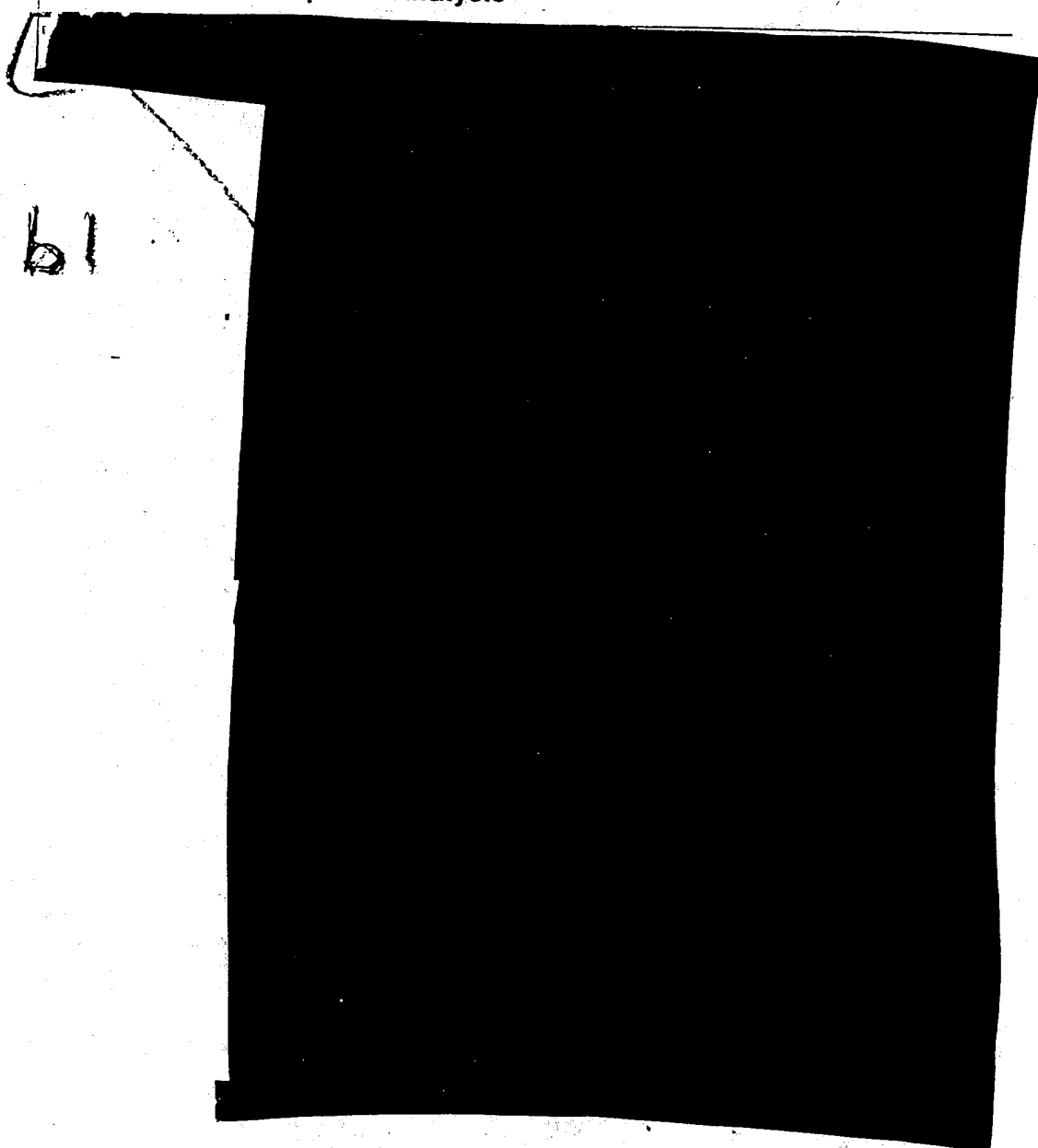
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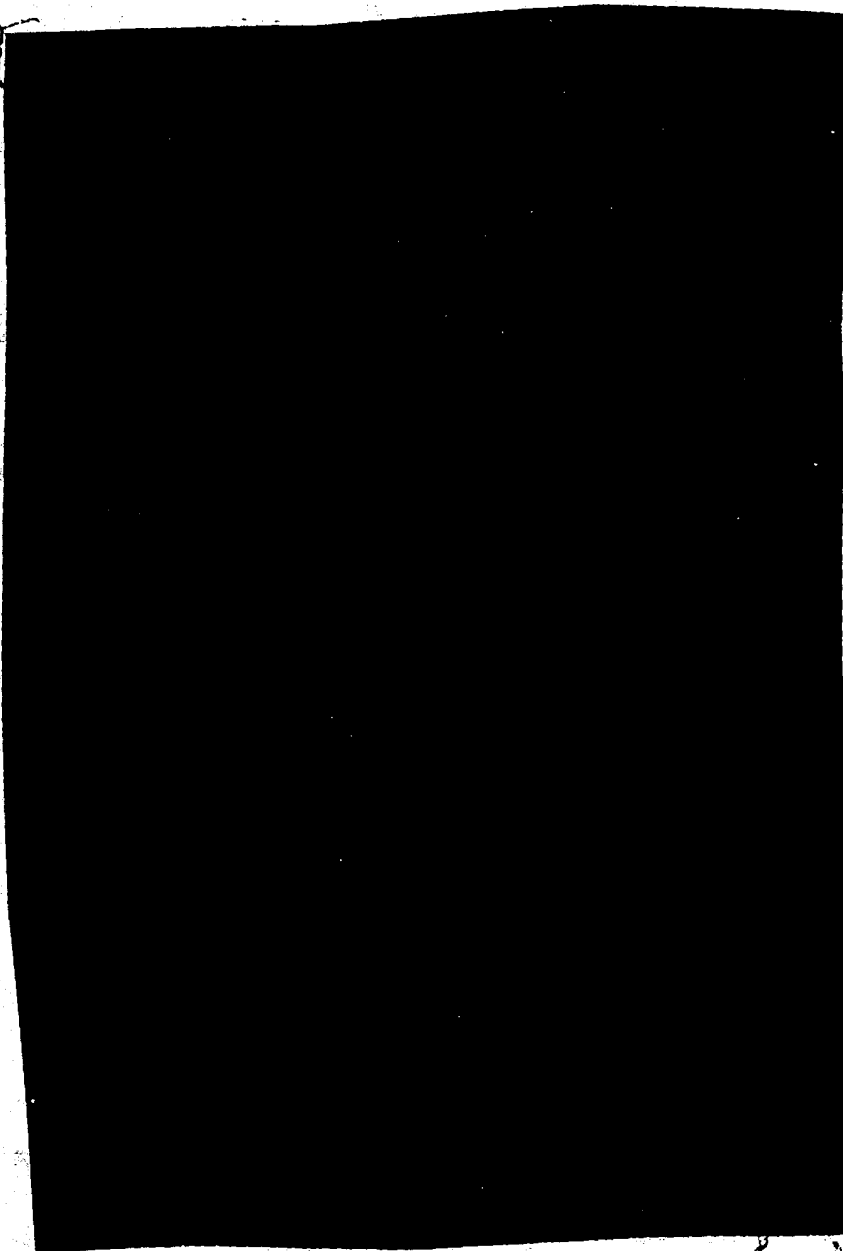
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